



# Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

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PUBLIC SERVICE  
COMMISSION

Ms. Beth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40602

March 14, 2008

Case #: 2008-00073

*Revised*

Dear Ms. O'Donnell

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of American Natural Gas Corporation (ANGC) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2008-00073. The calculated gas cost recovery rate enclosed in this report is \$8.4116 and the base rate is \$4.24. The minimum billing rate starting April 1, 2008 should be \$12.6516 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

Sincerely



H. Jay Freeman  
President

Enclosure



EXPECTED GAS COST ADJUSTMENT (EGCA)	\$/MCF	\$8.3462
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	\$0.0654
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	<b>\$8.4116</b>

GCRR to be effective for service rendered from October 1, 2007 to December 31, 2007

A.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
	TOTAL EXPECTED GAS COST ( SCHEULE II)	\$	\$715,473.00
	/ SALES FOR THE 12 MONTHS ENDED _____ Dec-07	MCF	85,724
	<hr/> = EXPECTED GAS COST ADJUSTMENT (ECA)	\$/MCF	\$8.3462

B.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
	SUPPLIER REFUND ADJUSTMENT FOR REPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
	+ PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	+ SECOND PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	+ THIRD PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	= REFUND ADJUSTMENT (RA)	\$/MCF	\$0.00

C.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
	ACTUAL COST ADJ. FOR THE REPORTING PERIOD (SCH. IV)	\$/MCF	(\$0.0000)
	+ PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0733)
	+ SECOND PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.1307
	+ THIRD PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.0080
	= ACTUAL COST ADJUSTMENT (ACA)	\$/MCF	\$0.0654

ACTUAL * MCF PURCHASES FOR 12 MONTHS ENDED			Dec-07		
(1)	(2)	(3)	(4)	(5)	(6)
SUPPLIER	DTH	BTU CONVERSION FACTOR	MCF	RATE	(4)*(5) COST
North Coast Energy	0	1.0740	0	\$5.500	\$0
MARATHON PETROLEUM CORP.	89,326	1.0300	86,724	\$8.250	\$715,473
TENNESSEE GAS PIPELINE	0	1.0300		\$0.000	\$0
COLUMBIA GAS	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
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COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
KOG	0	1.1000	0	\$0.000	\$0
<i>ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS</i>					
MARKETER	0	1.0350	0	\$0.00	\$0
<b>TOTALS</b>	<b>89,326</b>	<b>1.0300</b>	<b>86,724</b>	<b>\$8.25</b>	<b>\$715,473.00</b>

TOTAL EXPECTED COST OF PURCHASES (6)	UNIT	AMOUNT
/ MCF PURCHASES (4)	\$	\$715,473.00
= AVERAGE EXPECTED COST PER MCF PURCHASED	MCF	86,724
* ALLOWABLE MCF PURCHASES	\$/MCF	\$8.2500
(MUST NOT EXCEED MCF SALES / .95)	MCF	86,724
= TOTAL EXPECTED GAS COST (TO SCHEDULE IA.)	\$	\$715,473.00

For the 3 month period ended:	Particulars	Dec-07	Unit	(Oct-07)	(Nov-07)	(Dec-07)
	Total Supply Volumes Purchased		Mcf	4,000	8,500	12,700
	Total Cost of Volumes Purchased		\$	\$27,360	\$57,742	\$92,324
	Total Sales (may not be less than 95% of supply volumes)		Mcf	3,976	8,291	12,521
	Unit cost of Gas		\$/Mcf	\$6.8813	\$6.9644	\$7.3735
	EGC in effect for month		\$/Mcf	\$7.1816	\$7.1816	\$7.1816
	Difference [(Over-)/Under-Recovery]		\$/Mcf	(\$0.3003)	(\$0.2172)	\$0.1919
	Actual sales during month		Mcf	3,976	8,291	12,521

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(\$0.33)
Sales for 12 Months ended	Mcf	85,724
Actual Adjustment for the Reporting Period	\$/Mcf	(\$0.0000)

DETAILS FOR THE 9 MONTHS ENDED

Dec-07

PARTICULARS	UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED	\$	\$0.00
+ INTEREST	\$	\$0.00
= REFUND ADJUSTMENT INCLUDING INTEREST	\$	\$0.00
/ SALES FOR 12 MONTHS ENDED	MCF	85,724
= SUPPLIER REFUND ADJUSTMENT FOR THE REPORTING PERIOD (TO SCHEDULE IB.)	\$/MCF	\$0.00